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FM AMEMBASSY RANGOON  
TO RUEHC/SECSTATE WASHDC IMMEDIATE 9052  
INFO RUCNASE/ASEAN MEMBER COLLECTIVE  
RUEHBK/AMEMBASSY BANGKOK 2918  
RUEHBJ/AMEMBASSY BEIJING 2281  
RUEHBY/AMEMBASSY CANBERRA 2007  
RUEHKA/AMEMBASSY DHAKA 5203  
RUEHLO/AMEMBASSY LONDON 2126  
RUEHNE/AMEMBASSY NEW DELHI 5482  
RUEHUL/AMEMBASSY SEOUL 9078  
RUEHTC/AMEMBASSY THE HAGUE 0757  
RUEHKO/AMEMBASSY TOKYO 6654  
RUEHCN/AMCONSUL CHENGDU 1793  
RUEHCHI/AMCONSUL CHIANG MAI 2171  
RUEHCI/AMCONSUL KOLKATA 0641  
RHHMUNA/CDR USPACOM HONOLULU HI  
RUEKJCS/JOINT STAFF WASHDC  
RUCNDT/USMISSION USUN NEW YORK 2458  
RUEHGV/USMISSION GENEVA 4465  
RUEATRS/DEPT OF TREASURY WASHDC  
RUEKJCS/DIA WASHDC  
RUEAIIA/CIA WASHDC  
RHEHNSC/NSC WASHDC  
RUEKJCS/SECDEF WASHDC

C O N F I D E N T I A L SECTION 01 OF 03 RANGOON 000326

SIPDIS

STATE FOR EAP/MLS, S/GAC, AND F  
NSC FOR LIZ PHU  
BANGKOK FOR RDMA  
DEPARTMENT PLEASE PASS TO USAID/AME AND HHS

E.O. 12958: DECL: 02/19/2019  
TAGS: [SOCI](#) [EAID](#) [PHUM](#) [KHIV](#) [PGOV](#) [SENV](#) [BM](#)  
SUBJECT: BURMA: HEALTH MINISTRY SUBMITS GLOBAL FUND  
APPLICATION

REF: A. RANGOON 207  
[1](#)B. RANGOON 66

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Classified By: Economic Officer Samantha A. Carl-Yoder for Reasons 1.4  
(b and d).

Summary

[1](#)1. (SBU) The Minister of Health submitted the Burmese Government's Round Nine Global Fund (GF) application on May 31, requesting USD 320.6 million over five years to fund HIV/AIDS, tuberculosis (TB), and malaria programs. Funds, if approved, will be overseen by two principal recipients: Save the Children (US) and the UN Office for Project Services (UNOPS). According to Country Coordinating Mechanism (CCM) members, the proposal is technically sound and meets GF criteria. The Health Ministry has acknowledged that competition for Round Nine monies will be difficult due to GF's budget constraints, and expects the GF Secretariat to make a decision by November 2010. End Summary.

Submitting the Round Nine Application

[1](#)2. (C) After almost one year of coordination with relevant Burmese Government agencies, local and international NGOs, and donors, the Minister of Health submitted the GOB's final Round Nine Global Fund application on May 31. According to Julia Kemp, the DFID Health Advisor and donor representative to the CCM, the Global Fund Secretariat acknowledged receipt

of the proposal and pledged to review the proposal for technical merit. The GOB's funding request totals USD 320.6 million over five years: USD 157 million for HIV/AIDS, USD 85 million for TB, and USD 77 million for malaria programs. Funds would be administered by dual Principal Recipients (PRs) Save the Children (US) and UNOPS.

¶3. (C) The final application is approximately USD 70 million more than originally planned (Ref A). According to Kemp, the reason for the increased funding request is twofold: to cover higher than expected operational costs for the dual Principal Recipients (PRs) and to expand program coverage. She noted that while there are funding duplications in the three individual disease proposals, the GF Secretariat, should it approve the proposal, will likely negotiate with the GOB to lower overhead costs.

¶4. (C) Marie Stopes International Country Director and CCM member Sid Naing told us that the final proposals are technically sound and meet GF criteria, although he acknowledged they could have been written more cogently. Other CCM members and donors have voiced similar views. Kemp commented that the GOB underestimated the amount of work required for a GF application, but indicated the Minister of Health and CCM members remain ready to work with GF technical experts during the review of the proposal.

¶5. (C) According to the Minister of Health, the GF Secretariat should make a decision on Round Nine proposals by November 2010. He acknowledged to CCM members on May 29 that the Global Fund Executive Director told him there is limited funding for Round Nine and competition for funding will be

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difficult. Kemp, as donor representative, emphasized to the CCM that the GF has only USD 900 million for Round Nine (which covers the first two years of a proposal). While she did not know how much money other countries were requesting, she noted that Round Eight funding requests totaled more than USD 3 billion. She warned CCM members that the GF could fully fund the GOB's proposal, fund only part of it, or not fund it at all. While the Minister remains optimistic, Kemp surmised that he is worried the GF Secretariat may not support the GOB's proposal.

"Free and Unfettered" Access

¶6. (C) Kemp confirmed that the final proposals attempt to address adequately the issues that predicated the GF's withdrawal in 2005, particularly the issue of "free and unfettered" access. The GOB's application includes a cover letter from the Minister of Health specifically addressing these issues. (Note: We will send a copy of the final proposal and cover letter to the Department. End Note.) Kemp noted that during the May 29 meeting, the Ministry of Planning requested, and the CCM approved, a change to the final proposal language on access from "visas for international staff can be very long to obtain" to "visas for international staff take between two to three weeks for approval." Sid Naing observed that the new language establishes a benchmark for visa approval, to which the GF Secretariat can refer. Sid Naing believes the GOB may not understand the significance of this language change, but by signing the final application, it has committed itself to providing "free and unfettered" access to program sites.

Next Steps

¶7. (SBU) Kemp observed that, although the application is complete, the Ministry of Health and CCM still have work to do. She encouraged the Minister to hold additional CCM meetings, since the CCM should coordinate all health programs, not just the Global Fund. She also requested the CCM to begin the process of implementing the programs under

the CCM Governance Manual, including a gender audit, training of CCM members, and reviews of the national disease strategies. In preparation for a potential Global Fund grant, the dual PRs have begun the process of applying for an OFAC license to allow them to operate in Burma under GF auspices.

Comment

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18. (C) The Health Ministry has made efforts to be open and transparent throughout the GF application process: establishing a diverse, representative CCM; supporting strong PR candidates; seeking technical assistance; and allowing donors to review and comment on all proposal drafts. The Minister also acceded to donors' request to include a personal cover letter with the application stating how the GOB would address factors that led to the GF's 2005 withdrawal. Although approval of a Round Nine grant is far from certain, the application process has been useful to educate MOH personnel, including the Minister, about how to

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work constructively with the international community. The Minister has done so at personal risk; as he himself has admitted, if the GOB's GF application is unsuccessful, he may be out of a job.

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